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眾彩科技股份有限公司
CHINA VANGUARD GROUP LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8156

CLARIFICATION ANNOUNCEMENT NOTICE OF ANNUAL GENERAL MEETING, CIRCULAR AND FORM OF PROXY

Reference is made to the notice of annual general meeting (the “**Notice of AGM**”) of China Vanguard Group Limited (the “**Company**”) dated 17 October 2016 and the circular of the Company (the “**Circular**”) dated the same date regarding Notice of AGM, the proposal for general mandates to issue and repurchase shares and re-election of retiring directors; and form of proxy. Unless otherwise defined, terms used herein shall have the same meaning as defined in the Notice of AGM, the Circular and the Form of Proxy.

The Company would like to clarify that references to the aggregate nominal amount of Shares or the aggregate nominal amount of issued Share capital in the Notice of AGM, the Circular and the Form of Proxy shall refer to the total number of Shares or the total number of issued Shares. The Company wishes to make the following clarifications:

1. On page 4 of the Circular, the first paragraph under the sub-section headed "General Mandate to Issue Shares" should be read as:

“At the AGM, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate (i.e. the Issuance Mandate) to allot, issue and deal with unissued Shares or underlying Shares of the Company (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividends on Shares in accordance with the Articles of Association) or make or grant offers, agreements, share options and warrants which might require the exercise of such power, of up to 20% of the total number of issued Shares as at the date of granting of the Issuance Mandate.”;

2. On page 4 of the Circular, the first paragraph under the section headed "General Mandate to Repurchase Shares" should be read as:

“At the AGM, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of up to 10% of the total number of issued Shares as at the date of granting of the Repurchase Mandate.”;

3. On page 14 of the Circular and page 2 of the Notice of AGM, Resolution No. 4 (c) should be read as:

“the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20 per cent. of the total number of Shares of the Company in issue on the date of the passing of this resolution; and

(bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the total number of any Shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of Shares of the Company in issue on the date of the passing of resolution no. 5),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and”;

4. On page 15 of the Circular and page 4 of the Notice of AGM, Resolution No. 5 (b) should be read as:

“the total number of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the total number of issued Shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and” ; and

5. On the Form of Proxy, Resolution No. 6 should be read as:

“To add the total number of shares repurchased by the Company to the mandate granted to directors under resolution no. 4”.

The Company also confirms that, except as clarified above, all other information contained in the Notice of AGM, the Circular and the Form of Proxy is correct and remains unchanged. This clarification announcement is supplemental to and should be read in conjunction with the Notice of AGM, the Circular and the Form of Proxy, and in that connection the existing Notice of AGM, the Circular and the Form of Proxy in the form as they now will continue to be valid.

By Order of the Board
CHINA VANGUARD GROUP LIMITED
眾彩科技股份有限公司*
HO Kam Kin
Company Secretary

Hong Kong, 19 October 2016

As at the date of this announcement, the Board comprises Madam CHEUNG Kwai Lan, Mr. CHAN Ting as Executive Directors, Mr. CHAN Tung Mei as Non-executive Director and Mr. ZHANG Xiu Fu, Mr. YANG Qing Cai and Mr. TO Yan Ming Edmond as Independent Non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the website of the Company at www.cvg.com.hk.

* For identification purposes only